

Instructions for the New Hospital-based NF Supplemental Schedules A and B-1

The N.C. State Plan dictates that the Medicaid cost report must segregate all cost by direct and indirect for reimbursement purposes. However, because of the massive numbers and diversity of the services hospitals provide, the cost report requires a great deal of time and thought to organize these costs to properly segregate the dollars into one of three classes -- direct patient cost, indirect cost, and non-reimbursable cost. As a result, the 2002 Hospital-based NF software has been changed to help users more easily enter, segregate and track all the numerous expenses incurred by hospitals. A new Supplemental Sch. A form and input screen has been incorporated that will allow a user to effectively create personalized cost centers or groups or units and to make hundreds of detailed entries to each group that will produce a grand total for all non-reimbursable expenses and post this total to the "Other" cost center, Line 505 on Schedule A. In this way, the user can create one or more functional groups with each group having up to 20 screens with 10 line entries per screen. In essence, the user can replicate their working trial balance as they see fit.

Shown below in Fig. 1 is the first input screen for the new Supplemental Sch. A. There is an option to **<Add>** a new cost center or group of related expenses. For example, there is a pharmacy group, an ICU unit and an emergency room grouping as shown below. The **<<Edit>>** option allows the user to make additional entries for expenses or revenue offsets within any group. The **<Remove>** option will delete a entire group entry. The **<Done>** option will allow the user to exit the screen when finished.

No.	Description	Total	FTE
505.1	Pharmacy Group	486529	3.68
505.2	EmergRm/OperRm/Delivery Room	415421	4.38
505.3	Adult & Pediatrics Unit	1095331	34.17
505.4	ICU	181836	3.02
505.5	Cardio-Diagnostic Unit	51635	1.30
505.6	Emergency Room	837985	13.80
505.7	Clinic-Chem Depend Unit	396925	5.57
505.8	Hospice Unit	440481	6.23
505.9	Physician Offices	570476	8.37
505.10	Child Day Care Unit	262865	11.53
505.11	Sleep Lab	8414	0.00
505.12	Sale of Drugs to Other than	-13281	0.00

<< Edit >> < Add > < Remove > < Done >

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Fig. 1 – Supplemental Schedule A main screen.

Question: How do I add a new cost center group?

Answer: Enter the Schedule A Supplemental form above and select the **<Add>** option button. A follow-on screen like the one shown below in Fig. 2 will appear. The user simply enters the name and/or description of the cost center group he/she desires. The user could make one line entry for both salaries and other or a separate line entry can be generated for each type of expense. The user simply has to type a description or account number into each line and then tab to the next entry field. The tab sequence is from left to right then down. You may key the descriptions first and post the dollars later but you must **<Save>** your work or it will be lost if you exit the screen. You may choose the **<Page Dn>** option after keying 10 lines and key up to 20 pages of line entries before saving the data if you wish. When you select **<Save>** the program will return you to the first screen as shown in Fig. 1. Understand, all the dollar entries you make will be summed at the bottom of each screen and the grand total for that group will be shown on the first main entry screen.

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Description	Salaries 1	Other 2	Reclass 4	Adjust 6	Expense 7	FTE 8
Salaries & Oth	271292	181704	0	0	452996	4.38
Reclass Salary	0	0	70361	0	70361	0.00
Billable Med	0	0	-69337	0	-69337	0.00
Billable Med 2	0	0	-35147	0	-35147	0.00
IU Solutions	0	0	-3452	0	-3452	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
Page Totals:	271292	181704	-37575	0	415421	4.38

< Save > < Reclass > < Page Up > Page 1 of 20 < Page Dn > < Adjust > < Cancel >

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Fig. 2 – Group Expenses Screen.

The program will also calculate the grand total for all the groups and that total will be posted to the appropriate columns on the regular Schedule A and listed on Line 505 as "Other from Supp. A".

Question: How do I make a reclass entry to move dollars from Schedule A to a cost center group in the Supplemental Schedule A?

Answer: Enter the Schedule A Supplemental main screen and choose the cost center group you want from the list. Highlight that group and choose the <<Edit>> option. This will take you to the Group Expenses screen as shown in Fig. 2. Next, page down to find the particular expense line item and then simply click on the <Reclass> option button. This will take you to the Reclass Expenses data entry screen as shown in Fig. 3 below:

Description	Expense Col. 3	Col. 4 Reclass		Net Expense Col. 5	Dec/Inc to Sch A	
		Increase	Decrease		Line	Description
Salaries & Oth	452996	0	0	452996		
Reclass Salary	0	70361	0	70361	173	Admin & Genera
Billable Med	0	0	69337	-69337	327	Bill Med. Supp
Billable Med 2	0	0	35147	-35147	327	Bill Med. Supp
IU Solutions	0	0	3452	-3452	316	Intrav. Fluids
	0	0	0	0		
	0	0	0	0		
	0	0	0	0		
	0	0	0	0		
	0	0	0	0		
Page Totals:	452996	70361	107936	415421		

< Save > < Cancel >

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Fig. 3 – Reclass Expenses input screen.

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The Reclass Expenses screen will allow the user to reclass any part (or all) of a supplemental expense item from Line 505 to any cost center on the regular Schedule A form. Note, this new functionality is strictly limited to the new Supp. Sch. A and the user will no longer be able to use the regular Sch. A-1 entry screen to transfer an expense from the regular Sch. A to Line 505. However, the regular Sch. A-1 must still be used for any/all reclass actions for every line on the regular Schedule A as long as they do not involve Line 505.

Question: Why does the Reclass Expenses screen have an Increase and a Decrease column?

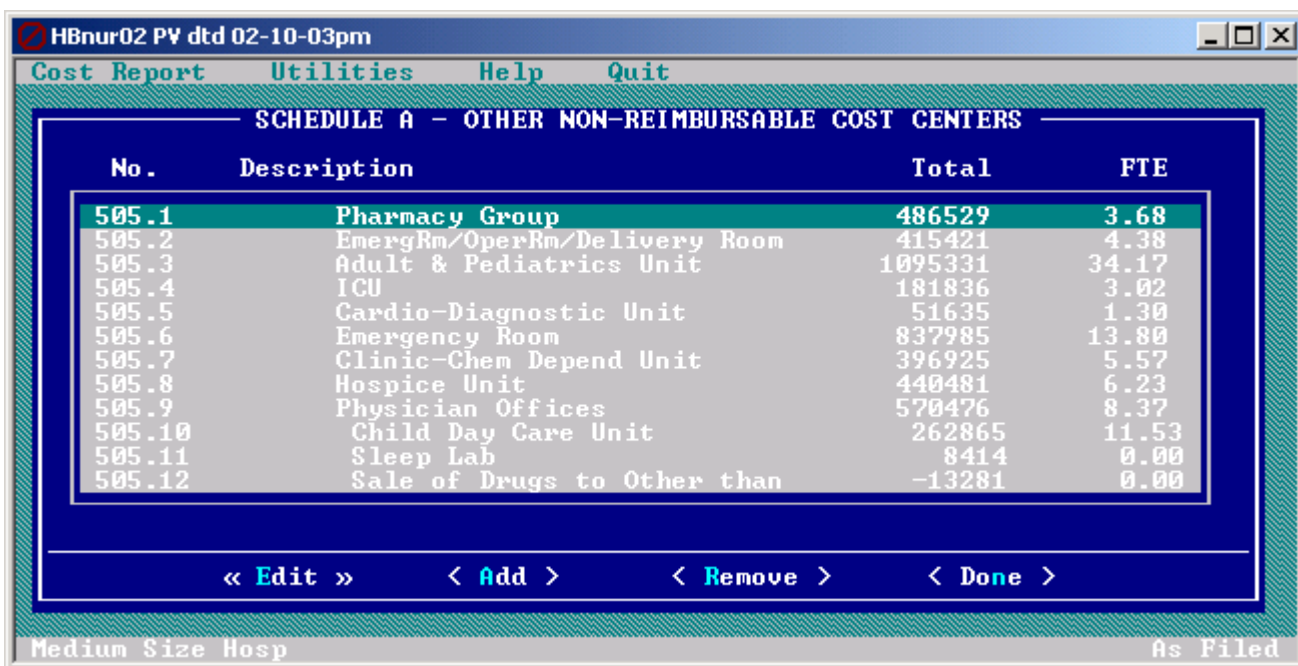
Answer: The Reclass Expenses screen required the two columns to keep track of the balance required in the database. Also, it reduces the thought processes when looking at the screen when you consider what you want the entry to do to Line 505. Do you want to increase the amount in the group or decrease the amount. The far right column heading shows "Dec/Inc to Sch. A" which corresponds to the impact your increase or decrease entry will make when transferred to that line. In other words, an increase on Line 505 here will make a corresponding decrease on the line you indicated on Schedule A.

Remember, if you need to reclass dollars from Schedule A to Line 505 use the Supplemental Schedule A **<Reclass>** option. If you need to transfer dollars from Line 505 up to a cost center in the regular Schedule A, use the Supplemental Schedule A **<Reclass>** option.

Conversely, you can NOT reclass from one Line 505 group to another Line 505 group (example: transfer salaries from group 505.3 to group 505.1). You can simply delete the entry in 505.3 and key the desired entry into 505.1 (or erase, or enter zero dollars if you want to keep the description in the original group). Understand, Schedule A-1 is still completely operational to reclass any line number on Schedule A from one cost center to another as long as the line number is not 505.

Question: How do I make an adjusting entry to remove dollars from Line 505, "Other" non-reimbursable expenses?

Answer: Enter the Schedule A Supplemental main screen shown below in Fig. 4 and choose the cost center group you want from the list. Highlight that group and choose the **<<Edit>>** option. This will take you to the Group Expenses screen as shown in Fig. 5.



The screenshot shows a software window titled "HBnur02 PV dtd 02-10-03pm" with menu options "Cost Report", "Utilities", "Help", and "Quit". The main content area is titled "SCHEDULE A - OTHER NON-REIMBURSABLE COST CENTERS". It contains a table with four columns: "No.", "Description", "Total", and "FTE". The table lists 12 cost center groups, with the first group (505.1 Pharmacy Group) highlighted in green. At the bottom of the table, there are four buttons: "<< Edit >>", "< Add >", "< Remove >", and "< Done >". The status bar at the bottom shows "Medium Size Hosp" and "As Filed".

No.	Description	Total	FTE
505.1	Pharmacy Group	486529	3.68
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505.11	Sleep Lab	8414	0.00
505.12	Sale of Drugs to Other than	-13281	0.00

Fig. 4 – Supplemental Schedule A main screen.

Next, page down to find the particular expense line item and then simply click on the **<Adjust>** option button. This will take you to the Reclass Expenses data entry screen as shown in Fig. 6 below:

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Cost Report Utilities Help Quit

Sched. A - Group Expenses

Cost Group: Emer Room / Surgical Unit Group Code: 505.2

Description	Salaries 1	Other 2	Reclass 4	Adjust 6	Expense 7	FTE 8
Oper & Recovery	10220079	4999177	207085	-294	15426047	243.00
Heart Lung	667485	803440	-234	0	1470691	7.00
Ambulatory Surg	1926084	933064	35078	0	2894226	42.80
Emergency Room	4710289	2098030	99451	-18176	6889594	110.50
PreAdmit Testng	517217	170736	-351	0	687602	12.20
Adjustment #1	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
	0	0	0	0	0	0.00
Page Totals:	18041154	9004447	341029	-18470	27368160	415.50

< Save > < Reclass > < Page Up > Page 1 of 20 < Page Dn > < Adjust > < Cancel >

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Fig. 5 – Group Expenses Screen.

Functionality has been added to the new Supplemental Schedule A screen to allow ‘adjusting’ entries to be added to or removed from any line item on the Supplemental Sch. A or taken from any line item of any group that belongs to Line 505. This capability is once again restricted to the new Supp. Sch. A relative to Line 505. Conversely, the user must use the regular Schedule A-2 to make needed adjustments to all Schedule A line items except “Other”, Line 505.

To explain, in Fig. 5 above, if the user wanted to create an adjustment to add an additional \$4,226 to the group but not post it to any one existing line item then they simply add a new description (for example Adjustment #1) and then select the **<Adjust>** option button. The program then takes the user to the Adjustment to Expenses screen shown in Fig. 6 below:

Cost Report Utilities Help Quit

Sched. A Supplemental - Adjustment to Expenses

Cost Group: Emer Room / Surgical Unit Group Code: 505.2

Description	Expense Col. 5	Adjustment	Net Expense Col. 6	Basis (A or B)	Adjustment Explanation
Oper & Recovery	15426341	-294	15426047	B	Revenue Offset Adj
Heart Lung	1470691	0	1470691		
Ambulatory Surg	2894226	0	2894226		
Emergency Room	6907770	-18176	6889594	B	Revenue Offset Adj #2
PreAdmit Testng	687602	0	687602		
Adjustment #1	0	4226	4226	A	Adding to Group 505.2
	0	0	0		
	0	0	0		
	0	0	0		
	0	0	0		
Page Totals:		-14244	27372386		

< Save > < Cancel >

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Fig. 6 – Adjustment to Expenses input screen.

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From that screen, the user simply fills in the Adjustment amount (either positive or negative) and enters the appropriate Basis code (A for an expense or B for a revenue) and a suitable explanation for the adjustment. After the entry is complete, select the **<Save>** option to return to the previous Group Expenses list screen.

Remember, if you need to adjust dollars from any line item 1-500 on Schedule A, you must use the regular Schedule A-2 screen. If you need to adjust dollars to/from Line 505, you must use the new Supplemental Schedule A **<Adjust>** option.

Question: How do I know what Schedule B-1 statistics have been entered into Line 25 on Sch. B-1 for a particular Line 505, "Other" non-reimbursable cost center group?

Answer: Access the regular Schedule B-1 input screen (see Fig. 7), scroll down to Line 25, highlight the "Other" option and click **<Edit>** to bring up the new Supplemental B-1 group selection list screen.

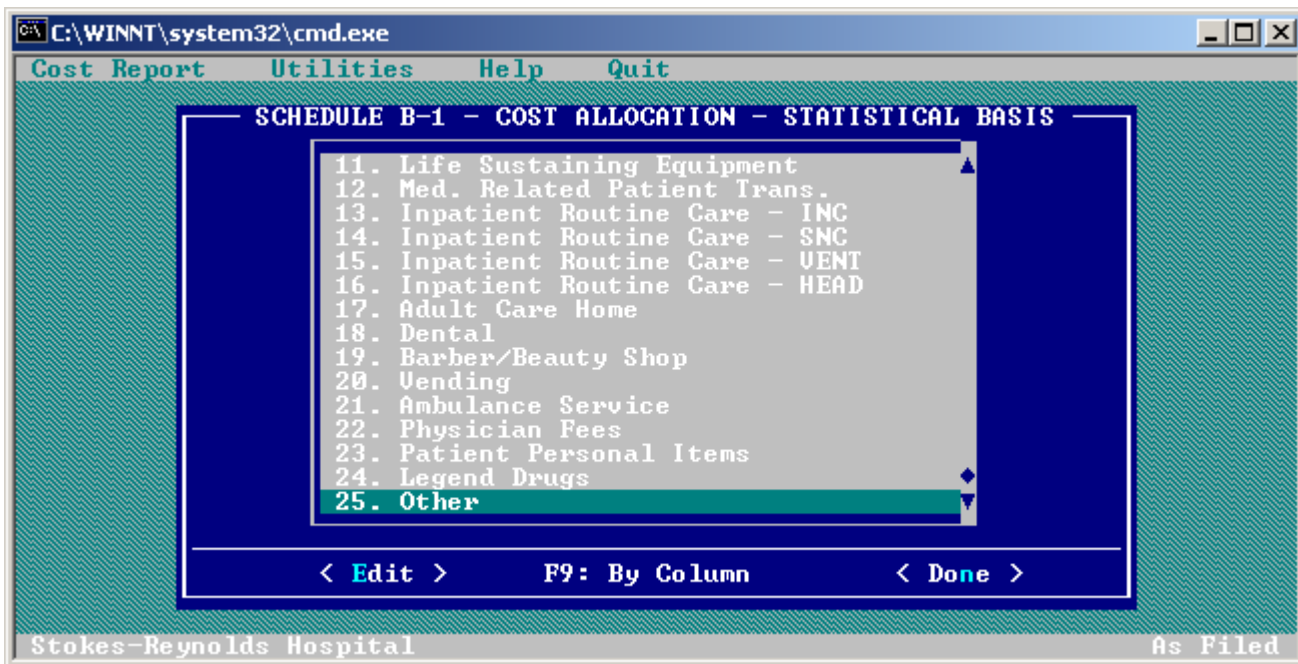


Fig. 7 – Schedule B-1 Statistics Line select screen.

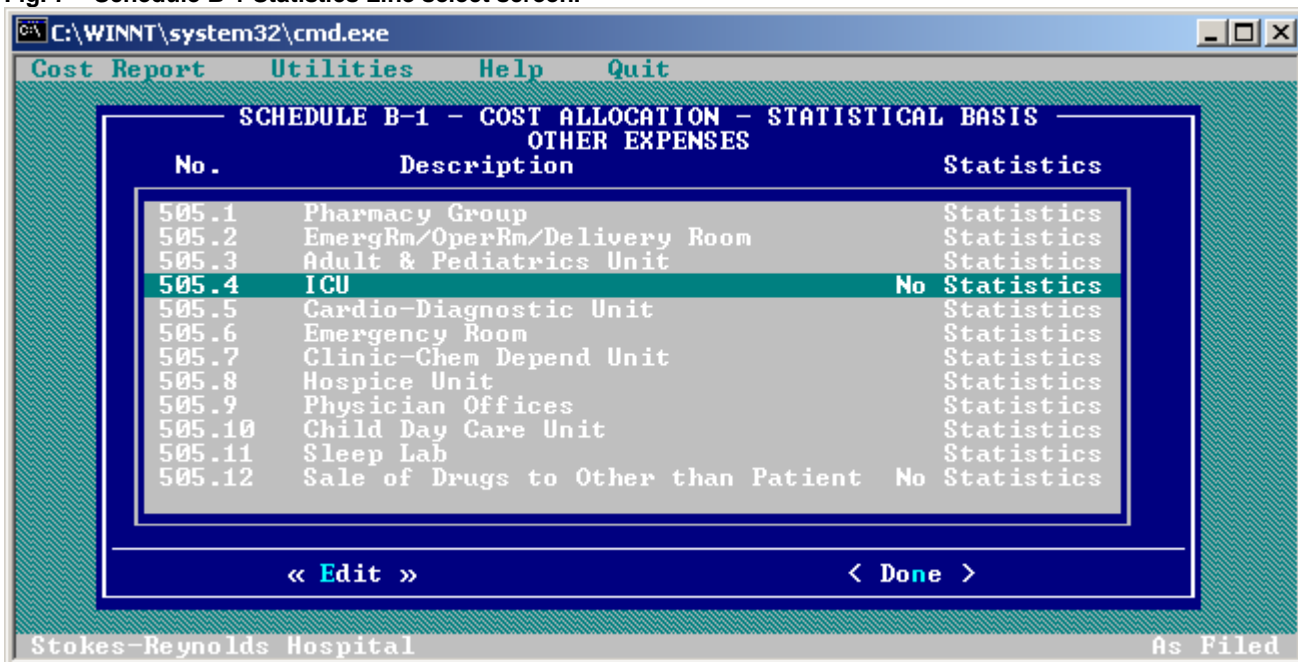


Fig. 8 – Supplemental B-1 Group Selection screen.

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You should now see a list of all the Line 505 “Other” cost center groups that have been created and a notice of which ones have statistics and which ones do not. If the user chooses one of the groups with no reported statistics, the program will present the typical Sch. B-1 entry screen by line and allow entries to any column desired. Refer to Fig. 9 for an example when the default “F9: By Line” option is used. Refer to Fig. 10 for when the “F9: By Line” option is selected.

The program will add all the statistics entered for every column and post the grand total to Line 25 on Schedule B-1. The user can print a listing of all the Supplemental Sch. B-1 entries as there is an option on the Print menu to do this. A sample of the Supplemental Sch. B-1 output report is shown in Fig. 11 below.

SCHEDULE B-1S - OTHER COST ALLOCATION - STATISTICAL BASES

505.4 ICU

POU.....<Sq Ft>: 0	NURSING.....<Hours>: 0
OMP.....<Sq Ft>: 0	MEDICAL RECORDS <Time Spent>: 0
HOUSEKEEPING...<Sq Ft>: 0	LAUNDRY & LINEN..<Lbs Lndry>: 0
DIETARY..<Patient Days or # of Meals>.....: 0	SOCIAL SERVICES..<Patient Days or Time Spent>.....: 0
CAFETERIA.....<FTE's>: 0.00	PATIENT ACTIVITIES..<Patient Days or Time Spent>.....: 0

< Save > < Cancel >

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Fig. 9 – Supplemental B-1 Group Selection screen “F9: By Line” option.

SCHEDULE B-1S - OTHER COST ALLOCATION - STATISTICAL BASES

Column 4. Housekeeping

505.1 Pharmacy Group

POU.....<Sq Ft>: 3397	NURSING.....<Hours>: 253
OMP.....<Sq Ft>: 3397	MEDICAL RECORDS <Time Spent>: 349
HOUSEKEEPING...<Sq Ft>: 3397	LAUNDRY & LINEN..<Lbs Lndry>: 10444
DIETARY..<Patient Days or # of Meals>.....: 4081	SOCIAL SERVICES..<Patient Days or Time Spent>.....: 0
CAFETERIA.....<FTE's>: 0.00	PATIENT ACTIVITIES..<Patient Days or Time Spent>.....: 0

< Save > < Cancel >

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Fig. 10 – Supplemental B-1 Group Selection screen “F9: By Column” option.

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505 GROUP No.	GROUP DESC	STATUS	POU OTHER <Sq Feet> 2	OMP <Sq Feet> 3	HOUSE KEEPING <Sq Feet> 4
1.	Pharmacy Group	Statistics	3,397	3,397	3,397
2.	EmergRm/OperRm/	Statistics	3,397	3,397	3,397
3.	Adult &	Statistics	3,397	3,397	3,397
4.	ICU	Statistics	3,397	3,397	3,397
5.	Cardio-Diagnost	Statistics	3,397	3,397	3,397
6.	Emergency Room	Statistics	3,397	3,397	3,397
7.	Clinic-Chem	Statistics	3,397	3,397	3,397
8.	Hospice Unit	Statistics	3,397	3,397	3,397
9.	Physician	Statistics	3,399	3,399	3,399
10.	Child Day Care	Statistics	3,397	3,397	3,397
11.	Sleep Lab	Statistics	3,397	3,397	3,397
12.	Sale of Drugs	No Statistics	0	0	0
Total:			37,369	37,369	37,369

Press ESC to Exit Viewer

Fig. 11 – Supplemental Schedule B-1 Statistics printed report.

Remember, check the Supplemental Sch. B-1 report using the Print/Viewer and you can see which cost center groups are missing statistics or were keyed wrong should your Line 25 totals not match your Medicare report.

Question: Has the new Schedule I, Invested Funds and Interest Income form been added to the software program and do I have to complete the form if it does not pertain to our organization?

Answer: Yes the new Schedule I, Invested Funds and Interest Income form has been added to the software program and yes, everyone must answer the first question at the top of the form before the program will allow you to create the Mail-In diskette to send to DMA.

Understand, even though the software has been changed to incorporate the new Invested Funds and Interest Income Schedule I, we will continue to include the printable version in the Guidance for Cost Report Preparation package as some users may have downloaded the older software before the schedule was included.